VZCZCXRO1471 OO RUEHBI RUEHLMC DE RUEHLM #1029/01 2052335 ZNY CCCCC ZZH O 242335Z JUL 07 FM AMEMBASSY COLOMBO TO RUEHC/SECSTATE WASHDC IMMEDIATE 6494 INFO RUEHKA/AMEMBASSY DHAKA PRIORITY 0299 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 7283 RUEHKT/AMEMBASSY KATHMANDU PRIORITY 5392 RUEHLO/AMEMBASSY LONDON PRIORITY 3924 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1215 RUEHNY/AMEMBASSY OSLO PRIORITY 3993 RUEHKO/AMEMBASSY TOKYO PRIORITY 3079 RUEHCG/AMCONSUL CHENNAI PRIORITY 7875 RUEHBI/AMCONSUL MUMBAI PRIORITY 5529 RUEHON/AMCONSUL TORONTO PRIORITY 0329 RUEHGV/USMISSION GENEVA PRIORITY 2221 RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY RUEHBS/USEU BRUSSELS PRIORITY RUEHLMC/MILLENNIUM CHALLENGE CORPORATION PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 001029

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DEPARTMENT FOR SCA/INS MCC FOR D NASSIRY AND E BURKE

E.O. 12958: DECL: 07/24/2017

TAGS: PGOV PREL PTER PHUM MOPS CE
SUBJECT: SRI LANKA: GOVERNMENT MODERATES OPTIMISTIC ABOUT DEVOLUTION PROPOSAL

REF: A) COLOMBO 973 B) COLOMBO 789 C) COLOMBO 747 D)

COLOMBO 705 E) COLOMBO 661 F) COLOMBO 643 G) COLOMBO 629 (AND PREVIOUS)

Classified By: Charge d'Affaires James R. Moore, for reasons 1.4(b, d).

- 11. (C) SUMMARY: The representative of the President's party on the committee to develop a consensus devolution proposal told Charge on June 23 he was confident President Rajapaksa would accept the consensus on power-sharing with the regions and the country's minorities. Foreign Minister Bogollagama had previously assured us that he and other moderates within the government, many of them crossovers from the opposition, were working to achieve a positive outcome of the devolution discussion. However, important elements of both major parties are seeking to avoid taking sole responsibility for offering a significant share of autonomy to the country's Tamils. The period until mid-August will be likely be make-or-break for a devolution consensus. A failure of the process would be a devastating setback to the Co-Chairs' efforts to revive a dialogue between the Sri Lankan government and the Liberation Tigers of Tamil Eelam. End summary.
- 12. (C) Charge and Pol Chief met the representative of the President's Sri Lanka Freedom Party (SLFP) to the All-Party Representative Committee (APRC), Higher Education Minister Vishwa Warnapala, on June 23. Warnapala gave a positive assessment of the APRC's efforts and the prospects for achieving consensus on devolution. He confirmed that most of the proposal was relatively uncontroversial. He said the APRC was now focused on resolving the contentious core issues, the nature of the state and the unit of devolution. Warnapala noted that APRC chairman Tissa Vitharana's latest draft proposed "united" rather than "unitary" as the characterization of the Sri Lankan state, and set the province, rather than the district, as the basic unit of devolution. The dissenters from this position remained the SLFP, the nationalistic JVP and JHU, and the small left-wing

party MEP. However, the APRC was redoubling efforts to finalize a common draft by mid-August. Warnapala was prepared to join the consensus, which would leave only the JVP and the two minor parties outside it.

- 13. (C) Warnapala noted that President Rajapaksa was wary of alienating his southern Sinhalese constituency. Nevertheless, Warnapala thought the President would be able to accept the compromise product of the APRC and, despite the pressure from nationalist elements, would present it essentially unchanged to the parliamentary All-Party Conference (APC). He reminded us that the President had repeatedly signaled flexibility on the SLFP's ideas and had committed to supporting the APRC consensus. Warnapala was therefore reasonably confident that the process of reaching consensus on a devolution proposal could reach a successful conclusion. However, insistence by either of the major parties on controversial, emotionally laden formulations like "federal" or "unitary" would destroy the consensus, and process would then fail, he said.
- 14. (C) Warnapala explained that other than the issues of "united" vs. "unitary" and the unit of devolution, the most contentious question was the control over land use. The SLFP had recommended that land use remain a prerogative of the central government. Warnapala implied that this would probably be a deal-breaker for many Tamils and Muslims, but believed that in the end, the President would accept the consensus view of the APRC.
- 15. (C) Charge stressed that the U.S. interest, and the interest of the Co-Chairs, is in keeping the political process on devolution moving forward, rather than attempting

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to prescribe particular solutions to the Sri Lankans. The question of power-sharing had too long been held hostage to internal politics, he noted, while history showed that the alternative to national reconciliation was a prolongation of the war. We had therefore repeatedly urged both the government and the principal opposition UNP to set aside narrow partisan considerations for once, and do the right thing for the country.

- 16. (C) Warnapala welcomed the engagement of the international community on devolution and recognized the legitimate interest of players like the U.S., the EU and India in seeing Sri Lanka's ethnic conflict end. He noted that the crossovers from the UNP in the government were playing a constructive role in trying to bridge the gap between the two major parties and emphasized the importance of their influence in keeping the President on board for a consensus solution.
- 17. (C) Charge and Pol Chief also discussed devolution with Foreign Minister Bogollagama on June 20. Bogollagama cautioned us that the President was extremely risk-averse concerning his support among the Sinhalese majority: "Don't expect the President, by himself, to go that extra mile." The President knew that he would have trouble holding "the populists" in line. He noted that previous efforts to develop a power-sharing proposal had foundered because of the reluctance of either of Sri Lanka's two major parties to take responsibility, fearing harm to their electoral chances.
- 18. (C) Nevertheless, Bogollagama appeared confident that unless the UNP withdrew from the process, the President would back the compromise that emerges from the APRC. He assured us that he and other moderates within the government particularly technocratically-oriented ministers who, like himself, had crossed over to the government ranks from the UNP were determined to see the matter through. He expressed little doubt that they would be able to prevail over administration hard-liners, as long as the APRC, probably minus the nationalist parties, was solidly behind a final proposal.

19. (C) COMMENT: The period until mid-August is shaping up as another critical turning point in Sri Lanka's conflict. Repeated interventions by the Ambassador, other Embassy officers, and Department principals have so far succeeded in keeping the important players on devolution in the game. However, both the President and his hardline advisors and the opposition UNP leadership will be tempted to play politics in the final stages of the APRC deliberations. If Sri Lanka squanders yet another opportunity to begin the process of national reconciliation, the first casualty will be the faltering peace process. As we have pointed out to numerous interlocutors, it is possible, or even likely that the Liberation Tigers of Tamil Eelam will denounce the devolution offer as inadequate and refuse to engage, at least initially. The minimum expectation for the devolution proposal should not be that it will immediately kick-start a new round of negotiations. However, a viable power-sharing offer by the Sinhalese majority is crucial to reaching out to the alienated minorities, particularly the Tamils. Attracting support by moderate, thoughtful Tamils - including those within the government - would be the first step in persuading the ethnic minorities that the Sri Lankan state is better placed than the Tamil Tigers to offer them a perspective for a future in Sri Lanka. MOORE